

1 VIRGINIA:

2 IN THE COUNTY OF WASHINGTON

3 VIRGINIA DEPARTMENT OF MINES, MINERALS AND ENERGY

4 VIRGINIA GAS AND OIL BOARD

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9 AUGUST 19, 2003

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12 APPEARANCES:

13 MASON BRENT - REPRESENT GAS & OIL INDUSTRY

KENNETH MITCHELL - CITIZEN APPOINTEE

14 BILL HARRIS - PUBLIC MEMBER

BENNY WAMPLER - DIRECTOR OF THE DMME & CHAIRMAN

15 DONALD RATLIFF - COAL REPRESENTATIVE

JIM MCINTYRE - CITIZEN APPOINTEE

16
17
18 SHARON PIGEON, COUNSEL FOR THE BOARD WITH THE ATTORNEY
GENERAL'S OFFICE

19 BOB WILSON, DIRECTOR OF THE DIVISION OF GAS & OIL AND
PRINCIPAL EXECUTIVE TO THE STAFF OF THE BOARD

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1 BENNY WAMPLER: Good morning. My name is Benny
2 Wampler. I'm Deputy Director for the Department of Mines,
3 Minerals and Energy, and Chairman of the Gas and Oil Board.
4 I'll ask the members to introduce themselves, starting with
5 Mr. Brent.

6 MASON BRENT: My name is Mason Brent. I'm from
7 Richmond and I represent the gas and oil industry.

8 KEN MITCHELL: My name is Ken Mitchell. I'm from
9 Stafford, Virginia. I'm a citizen appointee

10 SHARON PIGEON: I'm Sharon Pigeon. I'm not on the
11 Board. I'm here to advise. I'm from the office of the
12 Attorney General.

13 DONALD RATLIFF: I'm Donald Ratliff. I'm from Wise
14 County. I'm a coal industry representative.

15 JIM MCINTYRE: Jim McIntyre, from Wise, Virginia.
16 I'm a citizen appointee.

17 BOB WILSON: I'm Bob Wilson. I'm the Director of
18 the Division of Gas and Oil and principal executive to the
19 staff of the Board.

20 BENNY WAMPLER: Thank you. The first item on
21 today's agenda is a petition from CNX Gas Company, LLC, for
22 pooling of a coalbed methane unit AW-102. This is docket
23 number VGOB-03-0819-1165. We have a request for a
24

1 continuance of that. Without an objection, that will be
2 continued.

3 Then there's a request to combine items two through
4 seven on the agenda. That's a petition from CNX Gas Company,
5 LLC, for pooling of a coalbed methane unit AZ-107, docket
6 number VGOB-03-0819-1166; and AZ-114 with the docket number
7 1167; and unit BE-114, docket number 1168; unit BF-115,
8 docket number 1169; unit BD-113, docket number 1170; and BB-
9 108, docket number 1171. We'd ask the parties that wish to
10 address the Board in this matter to come forward at this
11 time.

12 MARK SWARTZ: Mark Swartz and Les Arrington.

13 BENNY WAMPLER: The record will show there are no
14 others. You may continue.

15 MARK SWARTZ: Les, do you want to state your name
16 for the record?

17 LESLIE K. ARRINGTON: Leslie K. Arrington.

18 (Leslie K. Arrington is duly sworn.)

19

20 LESLIE K. ARRINGTON

21 having been duly sworn, was examined and testified as
22 follows:

23 DIRECT EXAMINATION

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1 QUESTIONS BY MR. SWARTZ:

2 Q. Who do you work for?

3 A. CNX Gas Company.

4 Q. What do you do for them?

5 A. I'm the environmental and permitting
6 manager.

7 Q. Were you the fellow that was responsible for
8 the preparation of the notices, the applications and the
9 exhibits, and either did it yourself or had done under your
10 direction with regard to the six units that we're going to be
11 talking about today?

12 A. Yes, I did.

13 Q. Is the applicant in all six of these
14 applications CNX Gas Company, LLC?

15 A. Yes, it is.

16 Q. And are all six of these applications Middle
17 Ridge units?

18 A. Yes.

19 Q. And for once, I think all six of the units
20 contain exactly the same amount of acreage, which is 58.74
21 acres?

22 A. That's correct.

23 Q. There is one frac well proposed for each of
24

--

1 these units?

2 A. Correct.

3 Q. With the exception of docket item two and
4 docket item six, which would AZ-107 and BD-113, are the other
5 proposed wells in the drilling windows?

6 A. Yes, they are.

7 Q. And in these instances, the docket items two
8 and six, the one well is not in the window?

9 A. It is not.

10 Q. But, however, you've already apparently
11 received an exception and you've drilled both of those wells?

12 A. AZ-107 has not been.

13 Q. Okay. And...but the locations, all of the
14 wells are shown on the plats?

15 A. Yes, it is.

16 Q. Okay. In all instances, who is it that
17 you're requesting be the Board's operator if these units are
18 pooled?

19 A. CNX Gas Company.

20 Q. CNX Gas Company is a Virginia Limited...or
21 Virginia General Partnership, is that right?

22 A. Yes.

23 Q. They converted, I guess, to a limited
24

1 liability company?

2 A. Yes.

3 Q. Okay. Is CNX Gas Company authorized to do

4 business in the Commonwealth?

5 A. Yes, it is.

6 Q. Does it have a blanket bond on file?

7 A. Yes.

8 Q. Has it registered with the DMME?

9 A. Yes, it is.

10 Q. Have you listed the names of the

11 respondents, meaning the people that you're seeking to pool,

12 in both the notice of hearing and Exhibit B-3 in each of

13 these applications?

14 A. Yes, we have.

15 Q. And what did you do to notify those people

16 of this hearing today?

17 A. We mailed by certified mail/return receipt

18 requested. We published each one of the notice of hearings

19 and location map in the Bluefield Daily Telegraph.

20 Q. Okay. And have you filed a couple of copies

21 of these certifications with regard to mailing and the proofs

22 of publication with Mr. Wilson and the Board this morning?

23 A. Yes, we have.

24

1 Q. In fact, those were passed out...well, I'm
2 not sure. But they may have been passed out to the Board as
3 well.

4 A. I'm not sure.

5 Q. I don't know. I think we changed our
6 procedure.

7 A. Yeah, we changed it.

8 Q. So we're not killing quite so many trees.
9 Okay, but you filed those this morning?

10 A. Yes, we did.

11 Q. Okay. And did you mail to everyone for whom
12 you had an address?

13 A. Yes, we did.

14 Q. And the cards...the return mail cards and
15 the receipts and so forth are in your filing so we can see
16 who you mailed to and when you mailed and so forth?

17 A. That's correct.

18 Q. Do you wish to add any respondents to any of
19 these units?

20 A. I'll have to go through. Not add, no.

21 Q. Okay. Will there be some dismissals? It
22 looks like there will be some dismissals in BB-108 and we'll
23 get to that eventually.

24

1 A. Yes.

2 Q. Okay, but other than BB-108, the other units
3 you're satisfied with the...with the lineup?

4 A. Yes.

5 Q. You don't wish to add anybody or subtract
6 anybody?

7 A. Correct.

8 Q. With...as will become evident when we go
9 through your standing, in other words, what...what acreage of
10 interest you've acquired here, it will become obvious that
11 you've really leased a significant amount, in fact, a
12 majority of this acreage, correct?

13 A. That's right.

14 Q. What terms have you offered to the folks
15 that you've been able...you've been successful in obtaining
16 leases from?

17 A. The standard coalbed methane lease, a five
18 year term, a dollar per acre per year with a one-eighth
19 production royalty.

20 Q. And would you recommend those same terms to
21 the Board in the event that they were to pool these units as
22 the lease terms for folks that are deemed to have been
23 leased?

24

1 A. Yes, we would.

2 Q. Now, each of these units, as we noted
3 earlier, is a Middle Ridge unit, right?

4 A. Yes.

5 Q. And the Middle Ridge unit would produce
6 coalbed methane gas from the Jawbone down, assuming that the
7 Jawbone is actually below drainage?

8 A. That's correct.

9 Q. And there's...there's a frac well proposed
10 for each of these units?

11 A. Yes.

12 Q. Okay, let's...let's go through the units and
13 the specific information one at a time here now, starting
14 with docket item two, AZ-107. There are no amended Exhibits
15 with regard to that, correct?

16 A. Correct.

17 Q. The only folks you're pooling here are the
18 Commonwealth of Virginia, VDOT and Nellie Kate Dye, correct?

19 A. That's correct.

20 Q. And in this instance, you were pooling what
21 interest and what percentage?

22 A. We're pooling 1.2427% of the coal, oil and
23 gas interest.

24

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1 Q. Okay. And have you leased the balance?
2 A. Yes, we have.
3 Q. As I go through this application, I see that
4 there is no requirement for escrow whatsoever?
5 A. No.
6 Q. So these people can be paid directly?
7 A. Yes.
8 Q. Has this well been drilled?
9 A. No.
10 Q. Okay. What's the estimated cost to drill
11 the well?
12 A. \$246,037.29.
13 Q. Do you have a permit?
14 A. Yes, we do. But we've also filed an amended
15 permit application. It was filed on June 3rd of 2003.
16 Q. And the original permit number was 5540?
17 A. Yes, it was.
18 Q. The estimated depth of this well?
19 A. 2673.
20 Q. Okay. Turning to docket item three, okay,
21 which would AZ-114. There are no amended exhibits with
22 regard to this unit, is that correct?
23 A. That's correct.
24

1 Q. Has this well been drilled?

2 A. Yes, it has.

3 Q. What's the estimated cost to complete the

4 well for production?

5 A. \$246,238.66, to a depth of 2,588.2 feet.

6 Q. What's the permit number?

7 A. 5373.

8 Q. Okay. Here, would you tell the Board the

9 percentage of the coal claims and the percentage of the oil

10 and gas claims that you're seeking to pool?

11 A. Yes, we're seeking to pool 4.9012% of the

12 coal owners claim to coalbed methane; and 7.7761% of the oil

13 and gas owners claim to coalbed methane.

14 Q. Okay. And have you leased the balance of

15 the claims with regard to both coal, oil and gas?

16 A. Yes, we have.

17 Q. Okay. Does this unit require escrow for

18 Tract 7 because of an address unknown?

19 A. Yes.

20 Q. Is escrow also required because of certain

21 conflicts in Tracts 4 and 5?

22 A. Yes.

23 Q. And there's an Exhibit E which addresses

24

1 those conflicts?

2 A. Yes.

3 Q. Okay, turning to docket item four. This

4 one, we do have some revised exhibits, correct?

5 A. Yes.

6 Q. And have you filed both revised Exhibits A,

7 page two and Exhibit B-3 with the Board?

8 A. Yes, we have.

9 Q. Okay. Is this well in Exhibit BE-114

10 drilled?

11 A. No.

12 Q. Okay. What's the estimated cost to drill

13 and complete this proposed well?

14 A. \$240,194.03, to an estimated depth of 2,571

15 feet.

16 Q. And what's the...what's the permit number?

17 A. 5781.

18 Q. Okay. We have...the only escrow requirement

19 here would be an address unknown in Tract 2, is that correct?

20 A. That's correct.

21 Q. Okay. With regard to the revised Exhibits,

22 let's go to A, page Two. What is the percentage of coal and

23 oil and gas interest and claims that you're seeking to pool?

24

1 A. 1.4205% of the coal, oil and gas coalbed
2 methane.
3 Q. Okay. And that would mean that you have
4 already acquired, by lease or otherwise, 98.5795% of the coal
5 and oil and gas claims, correct?
6 A. Yes, that's correct.
7 Q. And revised Exhibit B-3, what was...what was
8 the change?
9 A. We...our percent of interest changed.
10 Q. And the royalty partners and so forth?
11 A. Yes.
12 Q. Okay, I see that. All right. Okay, now,
13 turning to docket item number five, which is BF-115. You've
14 got some amended Exhibits there, right?
15 A. Yes.
16 Q. We'll get to those in a minute. This...is
17 this well drilled yet?
18 A. No.
19 Q. Okay. What's the estimated cost to drill
20 and complete this well?
21 A. \$249,495.46, at a depth of 2,816 feet.
22 Q. What's the permit number?
23 A. 5818.

24

--

1 Q. Okay. And in this unit, we've also got an
2 address unknown in Tract 2, correct?

3 A. Yes.

4 Q. And that's the only escrow requirement?

5 A. Yes.

6 Q. Turning to the revised Exhibits and let's
7 start with A, page two. Would you tell the Board what
8 interest you've acquired and what interest you're seeking to
9 pool?

10 A. We're seeking to pool 2.0604% of the coal
11 and gas owners claim to coalbed methane and we have leased
12 97.9396% of the coal, oil and gas.

13 Q. And what was the change in revised Exhibit
14 B-3? The percentage, again, it looks like it's in Tract---?

15 A. Yes.

16 Q. ---in Tract 2, correct?

17 A. Yes.

18 SHARON PIGEON: Could you do the depth again on
19 that one?

20 MARK SWARTZ: Sure. It was 2816, I believe.

21 LESLIE K. ARRINGTON: Yes.

22 SHARON PIGEON: Okay.

23 Q. Number...docket item number six, which is
24

1 unit BD-113. Is this well drilled?

2 A. Yes, it is.

3 Q. Okay. And what would you estimate to be the
4 completed well costs?

5 A. \$249,539.08, at a depth of 2,532.8 feet.

6 Q. Permit number?

7 A. 5072.

8 Q. And in this unit, there is an address
9 unknown in Tract 3 that's going to require escrow?

10 A. Yes.

11 Q. And other than that, there's no reason to
12 escrow?

13 A. Correct.

14 Q. There are some...a couple of revised
15 exhibits also with regard to BD-113, correct?

16 A. Yes, that's correct.

17 Q. Let's go to Exhibit A, page two, and tell
18 the Board the interest you're seeking to pool and the
19 interest you've already acquired.

20 A. We're seeking to pool 0.8215% of the coal,
21 oil and gas owners claim to coalbed methane. We have leased
22 99.1785% of the coal, oil and gas owners claim to coalbed
23 methane.

24

--

1 Q. And then we've got this percentage change in
2 Tract 3 in this unit---?
3 A. That's correct.
4 Q. ---which would be the reason for the Revised
5 B-3?
6 A. Yes.
7 Q. Okay. And lastly, with regard to docket
8 item seven, which is BB-108. Is this well drilled?
9 A. BB-10...no.
10 Q. And you don't have a permit for this?
11 A. No, we do not.
12 Q. What is your estimated completed well costs
13 here?
14 A. \$249,153.40, depth of...estimated depth of
15 2,625 feet.
16 Q. We've got a requirement of escrow here
17 because of an unknown, or address unknown, in Tract 3,
18 correct?
19 A. That's correct.
20 Q. And other than that, there is no reason to
21 escrow with regard to this unit?
22 A. Correct.
23 Q. Let's turn to the revised exhibits that you
24

1 filed this morning. Let's start with A, page two.

2 A. Yes.

3 Q. Why don't you tell the Board what interest
4 you're seeking to pool and what interest you've already
5 acquired?

6 A. We're seeking to pool 1.8577% of the coal,
7 oil and gas owners claim to coalbed methane and we have
8 leased 98.1423% of the coal, oil and gas owners claim to
9 coalbed methane.

10 Q. Okay. And if we look...let's start with B-2
11 here. If we look at Exhibit B-2, it appears that you are
12 seeking to dismiss a number of folks that are---.

13 A. Yes.

14 Q. ---identified in Exhibit B-2 because you
15 have between the time you filed this application and
16 today---?

17 A. Yes.

18 Q. ---or the 18th when this exhibit was
19 revised, you've leased a bunch of additional folks and that's
20 the reason you're seeking to dismiss these people?

21 A. Yes, we are.

22 Q. And then correspondingly, because you've
23 obtained these additional leases, I would assume that the

24

--

1 change in Exhibit B-3 is to delete the folks that you've
2 leased that would no longer be respondents when this unit is
3 pooled?

4 A. That's correct.

5 Q. With regard to all six of these units, is it
6 your opinion that the plan of development that is disclosed
7 by the application and the related exhibits is a reasonable
8 plan to develop the coalbed methane from within and under
9 these six units for the benefit of all owners and claimants?

10 A. Yes, it is.

11 Q. Is it also your opinion that this...the
12 proposed well in each of these units will...and coupled with
13 the pooling and the leases you've already obtained, protect
14 the correlative rights of all owners and all claimants and
15 all unlocateable folks?

16 A. Yes, it will.

17 Q. That's all I have.

18 BENNY WAMPLER: Questions from members of the
19 Board?

20 (No audible response.)

21 BENNY WAMPLER: Go back to unit BF-115, please.

22 MARK SWARTZ: Okay.

23 BENNY WAMPLER: Exhibit B-3. I don't think we had
24

--

1 a discussion on what took place there.

2 LESLIE K. ARRINGTON: That's what we had originally
3 in this group of owners. We had their percentage of interest
4 incorrect. That's the reason we're correcting our percentage
5 of interest here.

6 BENNY WAMPLER: And it only affected this one unit?

7 LESLIE K. ARRINGTON: No, actually there---.

8 MARK SWARTZ: No, it was three.

9 LESLIE K. ARRINGTON: ---was three of them. It was
10 those three.

11 BENNY WAMPLER: Those three?

12 MARK SWARTZ: It's the...it's the same party in
13 those---.

14 BENNY WAMPLER: The three we have---.

15 MARK SWARTZ: This Gent Realty was in three units
16 and their percentage changed in all three.

17 BENNY WAMPLER: But it didn't change in like the
18 one that we just talked about where Fred Gent was in? The
19 last one we discussed.

20 LESLIE K. ARRINGTON: No, that's correct.

21 BENNY WAMPLER: Is that correct?

22 LESLIE K. ARRINGTON: That's correct. That's a
23 different group---.

24

1 BENNY WAMPLER: Okay.

2 LESLIE K. ARRINGTON: ---in BB-108, I believe is
3 the one you're speaking of.

4 BENNY WAMPLER: Yes, BB-108.

5 LESLIE K. ARRINGTON: Yes.

6 BENNY WAMPLER: But it was the same...it was the
7 same Fred Gent and same address.

8 LESLIE K. ARRINGTON: Yes, it's the same Fred, but
9 different group of people.

10 BENNY WAMPLER: All right. Other questions from
11 members of the Board?

12 MASON BRENT: I have just one.

13 BENNY WAMPLER: Mr. Brent.

14 MASON BRENT: On AZ-107, I think you said that you
15 filed an amended permit.

16 LESLIE K. ARRINGTON: Yes, I have.

17 MASON BRENT: What was the purpose for the
18 amendment?

19 LESLIE K. ARRINGTON: We had to...we were actually
20 up on the strip bench in a field pasture and we're trying to
21 satisfy the surface owner in that field pasture, to try to
22 tweak it around to get an exact location that he wants us to
23 be.

24

--

1 MASON BRENT: Is that what took you out of the
2 window?

3 LESLIE K. ARRINGTON: No, it is not. Well, to be
4 on that bench, we can't get over the side of the hill.
5 You're either in the valley or up on the strip bench. In the
6 valley, there's a tract...unleased tract there, consent to
7 stimulate, for one reason that we can't be in the valley.
8 Then it's also very congested in the valley.

9 BENNY WAMPLER: Other questions?

10 DONALD RATLIFF: Mr. Chairman.

11 BENNY WAMPLER: Mr. Ratliff.

12 DONALD RATLIFF: AZ-107 and BB-113 are outside of
13 the drilling window. You said we had previously approved.

14 LESLIE K. ARRINGTON: Mr. Wilson has.

15 DONALD RATLIFF: Okay.

16 BENNY WAMPLER: Those permits are issued, right?

17 LESLIE K. ARRINGTON: Yes. On the revis...revised
18 AZ-107, I'm not sure if it's issued right now on the revised
19 application.

20 MARK SWARTZ: The original was issued.

21 LESLIE K. ARRINGTON: The original was---.

22 BENNY WAMPLER: Right.

23 LESLIE K. ARRINGTON: ---but we had to move it just
24

1 a little to accommodate the surface owner.

2 BENNY WAMPLER: Other questions from members of the
3 Board?

4 (No audible response.)

5 BENNY WAMPLER: Do you have anything further?

6 MARK SWARTZ: No, Your Honor.

7 BENNY WAMPLER: Is there a motion?

8 KEN MITCHELL: Motion for approval, Mr. Chairman.

9 DONALD RATLIFF: Second.

10 BENNY WAMPLER: Motion and second. Any further
11 discussion?

12 (No audible response.)

13 BENNY WAMPLER: All in favor, signify by saying
14 yes.

15 (All members signify by saying yes.)

16 BENNY WAMPLER: Opposed, say no.

17 (No audible response.)

18 BENNY WAMPLER: You have approval. Thank you.

19 MARK SWARTZ: Thank you all.

20 BENNY WAMPLER: The next item on the agenda is a
21 petition from Equitable Production Company for a well
22 location exception for proposed well V-502682, docket number
23 VGOB-03-0819-1172. We'd ask the parties that wish to address
24

1 the Board in this matter to come forward at this time.

2 (Pause.)

3 BENNY WAMPLER: Good morning.

4 JIM KISER: How are you doing?

5 BENNY WAMPLER: Good. How are you?

6 JIM KISER: Pretty good. Mr. Chairman and members
7 of the Board, Jim Kiser on behalf of Equitable Production
8 Company. Our witness in this matter will be Mr. Don Hall.
9 We'd ask that he be sworn at this time.

10 (Don Hall is duly sworn.)

11 BENNY WAMPLER: The record will show there are no
12 others. You may proceed.

13

14 DON HALL

15 having been duly sworn, was examined and testified as
16 follows:

17 DIRECT EXAMINATION

18 QUESTIONS BY MR. KISER:

19 Q. Mr. Hall, if you'd state your name for the
20 record, who you're employed by and in what capacity?

21 A. My name is Don Hall. I'm employed by
22 Equitable Production Company as District Landman.

23 Q. And are you familiar with the land involved

24

--

1 here and in the surrounding area and the application that we
2 filed seeking a location exception for well V-502682?

3 A. Yes.

4 Q. Have all interested parties been notified as
5 required by Section 4(B) of the Virginia Gas and Oil Board
6 Regulations?

7 A. They have.

8 Q. Would you indicate at this time for the
9 Board the ownership of the oil and gas underlying the unit
10 for well number V-502682?

11 A. Penn Virginia Oil and Gas Corporation owns a
12 100% of the oil and gas.

13 Q. And does Equitable have the right to operate
14 the reciprocal wells, the well that we're seeking a variance
15 from, that being well number 10012?

16 A. We do.

17 Q. Could you explain for the Board why a
18 location exception is needed for this well?

19 A. This was...this was the location that the
20 coal company chose to have the least impact on their coal.

21 Q. And we're seeking an exception of a 150 feet
22 from another one of your own wells and there's no correlative
23 rights issues because the acreage in the surrounding units is

24

--

1 also Penn Virginia acreage?

2 A. That's correct.

3 Q. Is that right?

4 A. That's correct.

5 Q. Okay. In the event this location exception

6 were not granted, would you project the estimated loss of

7 reserves resulting in waste?

8 A. 400 million cubic feet.

9 Q. And the total depth of the well under the

10 applicant's plan of development?

11 A. 5384 feet.

12 Q. And that's consistent with a well work

13 permit?

14 A. Yes.

15 Q. And you're requesting that this location

16 exception cover convention gas reserves to include the

17 designated formations from the surface to the total depth

18 drilled?

19 A. Yes.

20 Q. And in your professional opinion, would the

21 granting of this location exception be in the best interest

22 of preventing waste, protecting correlative rights, and

23 maximizing the recovery of the gas reserves underlying the

24

1 unit for V-502682?

2 A. Yes.

3 JIM KISER: Nothing further of this witness at this
4 time, Mr. Chairman.

5 BENNY WAMPLER: Questions from members of the
6 Board?

7 BOB WILSON: Mr. Chairman.

8 BENNY WAMPLER: Mr. Wilson.

9 BOB WILSON: I'd point out that the reciprocal well
10 is shown as 10,012. That's an invalid well number according
11 to our files. That's an old number. It needs to be changed
12 to VAP133554, I believe.

13 BENNY WAMPLER: Read that again. VAP11---.

14 BOB WILSON: 133554.

15 (Mr. Kiser and Mr. Hall confer.)

16 JIM KISER: Do we need to file a revised plat?

17 BOB WILSON: Please.

18 JIM KISER: Okay.

19 DON HALL: Okay.

20 BENNY WAMPLER: Other questions from members of the
21 Board?

22 MASON BRENT: I have one, Mr. Chairman, if I may.

23 BENNY WAMPLER: Mr. Brent.

24

1 MASON BRENT: Do you know what the depth is of that
2 VAP133554?
3 DON HALL: No, I don't. But it's probably in the
4 same area, the same...near the same depth as the well...it
5 would be in the same formations, in other words.
6 MASON BRENT: And what are you estimating that
7 depth to be?
8 JIM KISER: 5384.
9 MASON BRENT: 5384.
10 DON HALL: Yeah.
11 BENNY WAMPLER: Other questions?
12 (No audible response.)
13 BENNY WAMPLER: And you have agreed to file a
14 revised location...well location plat?
15 JIM KISER: Yes, sir, Mr. Chairman.
16 DON HALL: Yes.
17 JIM KISER: We'd ask that the application be
18 approved as submitted with the condition that we file a
19 revised plat to note the correct well number in accordance
20 with Mr. Wilson's comment.
21 BENNY WAMPLER: Is there a motion?
22 JIM McINTYRE: Motion to approve.
23 KEN MITCHELL: Second.

24
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1 BENNY WAMPLER: Second. Any further discussion?

2 (No audible response.)

3 BENNY WAMPLER: All in favor, signify by saying
4 yes.

5 (All members signify by saying yes.)

6 BENNY WAMPLER: Opposed, say no.

7 (No audible response.)

8 BENNY WAMPLER: You have approval. The next item
9 on the agenda is a petition from Equitable Production Company
10 for pooling of a conventional gas unit V-535835, docket
11 number VGOB-03-0819-1173. We'd ask the parties that wish to
12 address the Board in this matter to come forward at this
13 time.

14 JIM KISER: Mr. Chairman and members of the Board,
15 Jim Kiser, again, on behalf of Equitable Production Company.
16 Again, our witness would be Mr. Hall. He has got a revised
17 set of exhibits that we're passing out that will reflect
18 additional leases that have been picked up since the time of
19 the filing of the application. So, what you'll have is a
20 revised Exhibit B, a...by definition, an Exhibit B-2 to show
21 those additional leases, and then B-3 which will show the
22 parties that remain unleased.

23 BENNY WAMPLER: The record will show there are no
24

1 others. You may proceed.

2 DON HALL

3 QUESTIONS BY MR. KISER:

4 Q. Mr. Hall, if you'd again state your name for
5 the record, who you're employed by, and in what capacity?

6 A. My name is Don Hall. I'm employed by
7 Equitable Production Company as District landman.

8 Q. And do your responsibilities include the
9 land involved here and in the surrounding area?

10 A. They do.

11 Q. And are you familiar with Equitable's
12 application for the establishment of a drilling unit and
13 seeking a pool order for EPC well number V-535835, which was
14 dated July the 11th, 2003?

15 A. Yes.

16 Q. Does Equitable own drilling rights in the
17 unit involved here?

18 A. We do.

19 Q. Now, prior to filing this application, were
20 efforts made to contact each of the respondents and interest
21 owners within the unit and an attempt made to work out a
22 voluntary lease?

23 A. Yes.

24

--

1 Q. What was the interest of Equitable within
2 the unit at the time we filed the application?

3 A. 82.55% was leased at the time that we filed
4 the application.

5 Q. Okay. Now, are you familiar with the
6 ownership of parties other than Equitable underlying the
7 unit?

8 A. Yes.

9 Q. At the time of the filing of the
10 application, was the unleased portion of the unit 17.45%?

11 A. Yes.

12 Q. Now, subsequent to the filing of the
13 application, did you continue to attempt to reach an
14 agreement with the unleased respondents that were listed at
15 the original Exhibit B?

16 A. Yes.

17 Q. Okay. As a result of these efforts, I think
18 we've already stated we filed a revised set of Exhibits B, B-
19 2 and B-3 that reflect some of the...or all of the additional
20 leases that you've picked up since the time of filing of the
21 application. If you just want to take a minute and kind of
22 go through that with the Board.

23 A. Okay. We've...if you'll look at Exhibit B-

24

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1 2, the people listed in each one of those tracts have been
2 leased since...since we made the application for the force
3 pooling, leaving the parties listed in Exhibit B-3 as the
4 only unleased parties at this time. And if you notice in B-3
5 each...there's only...actually only two parties. They own an
6 interest in three small tracts there. Efforts are continuing
7 to...to also lease them. But at this point in time we
8 haven't been able to do that.

9 Q. So, this may even be a unit that down the
10 road we can ask the Board to dismiss the order and become a
11 voluntary unit?

12 A. It's possible.

13 Q. Okay.

14 (Mr. Kiser confers with Mr. Hall.)

15 Q. In your professional opinion, was due
16 diligence exercised to locate each of the respondents named
17 in the various Exhibit Bs?

18 A. Yes.

19 Q. And are the addresses set out in the revised
20 Exhibit Bs, the last known addresses for the respondents?

21 A. Yes.

22 Q. Are you requesting this Board to force pool
23 all unleased interest listed in Exhibit B-3?

24

--

1 A. Yes.

2 Q. Are you familiar with the fair market value
3 of drilling rights in the unit here and in the surrounding
4 area?

5 A. Yes.

6 Q. Could you advise the Board as to what those
7 are?

8 A. A five dollar bonus, five year term and a
9 one-eighth royalty.

10 Q. Did you gain this familiarity by acquiring
11 oil and gas leases and other agreements involving the
12 transfer of drilling rights in the unit involved here and in
13 the surrounding area?

14 A. Yes.

15 Q. In your professional opinion, do the terms
16 you just testified to represent the fair market value of and
17 the fair and reasonable compensation to be paid for drilling
18 rights within this unit?

19 A. They do.

20 Q. All right. Now, based on your testimony as
21 to those respondents who have not agree to voluntarily lease,
22 do you recommend that those listed in Exhibit B-3 who remain
23 unleased be allowed the following options with respect to
24

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1 their ownership interest within the unit: One,
2 participation; two, a cash bonus of five dollars per net
3 mineral acre plus a one-eighth of eight-eighths royalty; or
4 three in lieu of a cash bonus and one-eighth of eight-eighths
5 royalty, a share in the operation of the well on a carried
6 basis as a carried operator under the following conditions:
7 Such carried operator should be entitled to his share of
8 production from the tracts pooled accruing to his interest
9 exclusive of any royalty or overriding royalty reserved in
10 any leases, assignments thereof or agreements relating
11 thereto of such tracts, but only after the proceeds
12 applicable to his share equal A), 300% of the share of such
13 costs applicable to the interest of the carried operator of a
14 leased tract or portion thereof; or B), 200% of the share of
15 such costs applicable to the interest of a carried operator
16 of an unleased tract or portion thereof?

17 A. Yes.

18 Q. Do you recommend that the order provide that
19 elections by respondents be in writing and sent to the
20 applicant at Equitable Production Company, 1710 Pennsylvania
21 Avenue, Charleston, West Virginia 25328, Attention: Melanie
22 Freeman, Regulatory?

23 A. Yes.

24

--

1 Q. And should this be the address for all
2 communications with the applicant concerning any force
3 pooling order?

4 A. They should.

5 Q. Do you recommend that the order provide that
6 if no written election is properly made by a respondent, then
7 such respondent shall be deemed to have elected the cash
8 royalty option in lieu of participation?

9 A. Yes.

10 Q. Should the unleased respondents be given 30
11 days from the date the order is executed to file their
12 written elections?

13 A. Yes.

14 Q. And if an unleased respondent elects to
15 participate, should they be given 45 days to pay for their
16 proportionate share of well costs?

17 A. Yes.

18 Q. Does the applicant expect that party
19 electing to participate to pay in advance that party's share
20 of completed well costs?

21 A. Yes.

22 Q. Should the applicant be allowed a 120 days
23 following the recordation date of the Board order and
24

1 thereafter annually on that date until production is achieved
2 to pay or tender any cash bonus becoming due under the force
3 pooling order?

4 A. Yes.

5 Q. Do you recommend the order provide if a
6 respondent elects to participate but fails to pay their
7 proportionate share of well costs satisfactory to the
8 applicant for the payment of those costs, then the
9 respondent's election to participate should be treated as
10 having been withdrawn and void?

11 A. Yes.

12 Q. Do you recommend that the order provide that
13 where a respondent elects to participate but defaults in
14 regard to the payment of the well costs, any cash sum
15 becoming payable to that respondent be paid within 60 days
16 after the last date on which such respondent could have paid
17 or made satisfactory arrangements to pay those costs?

18 A. Yes.

19 Q. This is a conventional well. So, we do not
20 have a conflicting claimants situation. We do not have any
21 unknown interest owners. So, the Board does not need to
22 establish an escrow account, is that correct?

23 A. That's correct.

24

--

1 Q. And who should be named the operator under
2 any force pooling order?

3 A. Equitable Production Company.

4 Q. Now, what is the total depth of the proposed
5 well under the plan of development?

6 A. 5,496 feet.

7 Q. And are you requesting the force pooling of
8 conventional gas reserves not only to include the designated
9 formations but any other formations excluding coal formations
10 which may be between those formations designated from the
11 surface to the total depth drilled?

12 A. Yes.

13 Q. And what are the estimated reserves of the
14 unit?

15 A. 400 million cubic feet.

16 Q. Now, are you familiar with the well costs
17 for the well under the plan of development?

18 A. Yes.

19 Q. And has an AFE been reviewed, signed and
20 submitted to the Board as Exhibit to the application?

21 A. It has.

22 Q. Was the AFE prepared by an engineering
23 department knowledgeable in the preparation of AFEs and
24

1 knowledgeable in regard to well costs in this area?

2 A. Yes.

3 Q. In your opinion, does the AFE represent a
4 reasonable estimate of the well costs for the proposed unit
5 well under the applicant's plan of development?

6 A. It does.

7 JIM KISER: At this time, Mr. Chairman, I'd like to
8 note there is an incorrect amount for the completed well cost
9 in the application. It states 259,257. If you look at your
10 AFE, the actual completed well cost is actually...I'll let
11 Mr. Hall testify to it. But it's something different.

12 Q. Could you state for the Board both the dry
13 hole costs and the completed well costs for this well,
14 please?

15 A. The dry hole cost is \$184,516

16 Q. And the completed well costs?

17 A. It's \$310,636.

18 Q. That's correct. And that is different from
19 what was stated in the application and what was originally in
20 your letter of 259,257?

21 A. That's correct.

22 Q. Usually it's my fault, here it wasn't. Do
23 these costs anticipate a multiple completion?

24

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1 A. I was just checking. It was my fault. Yes.

2 Q. Does the AFE include a reasonable charge for

3 supervision?

4 A. Yes.

5 Q. In your professional opinion, would the

6 granting of this application be in the best interest of

7 conservation, the prevention of waste, and the protection of

8 correlative rights?

9 A. Yes.

10 JIM KISER: Nothing further of this witness at this

11 time, Mr. Chairman.

12 BENNY WAMPLER: Questions from members of the

13 Board?

14 KEN MITCHELL: One question, Mr. Chairman. Just to

15 be totally 100% sure, would you repeat the total depth of the

16 well again, please?

17 JIM KISER: 5,496 feet.

18 KEN MITCHELL: On the last sheet you show 5,546.

19 JIM KISER: That's...on the AFE?

20 DONALD RATLIFF: On the AFE.

21 KEN MITCHELL: The very top on the lefthand side,

22 total depth 5546.

23 DON HALL: Um, we'd probably need to go with the

24

1 AFE figure then. That's what...what it's based on.

2 JIM KISER: All right. We'd like to amend our
3 testimony then to state that the total depth of this would be
4 5546 rather than 5496. Thank you.

5 KEN MITCHELL: It sounds good to me. I just wanted
6 to clarify which...the number he had testified to and the
7 number that was written down. I just wanted to be sure which
8 one was correct.

9 BENNY WAMPLER: The numbers on the dollars for the
10 dry hole costs and the completed well costs on the AFE are
11 correct?

12 JIM KISER: Yes, sir.

13 DON HALL: Yes.

14 BENNY WAMPLER: Other questions from members of the
15 Board?

16 (No audible response.)

17 BENNY WAMPLER: Is there a motion?

18 DONALD RATLIFF: So moved, Mr. Chairman.

19 KEN MITCHELL: I second.

20 BENNY WAMPLER: Motion and second for approval.

21 Any further discussion?

22 (No audible response.)

23 BENNY WAMPLER: All in favor, signify by saying
24

--

1 yes.

2 (All members signify by saying yes.)

3 BENNY WAMPLER: Opposed, say no.

4 (No audible response.)

5 BENNY WAMPLER: You have approval. The next item

6 on the agenda is a petition from Equitable Production Company

7 for pooling of a coalbed methane unit VC-535612, docket

8 number VGOB-03-0819-1174. We'd ask the parties that wish to

9 address the Board in this matter to come forward at this

10 time.

11 JIM KISER: Mr. Chairman and members of the Board,

12 Jim Kiser, again, on behalf of Equitable Production Company.

13 Our witness again will be Mr. Hall.

14

15 DON HALL

16 QUESTIONS BY MR. KISER:

17 Q. If you'd state your name for the Board, who

18 you're employed by and in what capacity?

19 A. My name is Don Hall. I'm employed by

20 Equitable Production Company as District landman.

21 Q. And you're familiar with the application we

22 filed seeking a pooling order for EPC well number VC-535612?

23 A. Yes.

24

1 (Mr. Kiser confers with Mr. Hall.)

2 Q. And is Equitable seeking to force pool the
3 drilling rights underlying the drilling and spacing unit as
4 depicted at Exhibit A of the application?

5 A. We are.

6 Q. And as you are allowed to under the field
7 rules order, did you seek a location exception when you filed
8 your permit in that this application is outside the---?

9 A. I'm not sure if the permit application has
10 been filed yet. But if it has, we will seek a location
11 exception under the permit process.

12 Q. Does Equitable own drilling rights in the
13 unit involved here?

14 A. Yes.

15 Q. And prior to filing the application, were
16 efforts made to contact each of the respondents and an
17 attempt made to work out a voluntary lease regarding the
18 interest within the unit?

19 A. Yes.

20 Q. What is the interest of Equitable within the
21 gas estate in this unit?

22 A. We have 90.15% leased.

23 Q. And the interest of Equitable in the coal
24

1 estate?

2 A. A 100%.

3 Q. Now, are all the unleased parties set at

4 Exhibit B-3?

5 A. They are.

6 Q. And are you familiar with the ownership of

7 drilling rights of parties other than Equitable underlying

8 this unit?

9 A. Yes.

10 Q. And what is the interest within the gas

11 estate that remains unleased?

12 A. 9.85%.

13 Q. In your professional opinion, was due

14 diligence exercised to locate each of the respondents named?

15 A. Yes.

16 Q. And are the addresses set out in Exhibit B

17 to the application the last known addresses for the

18 respondents?

19 A. Yes.

20 Q. Are you requesting the Board to force pool

21 all the unleased interest listed in Exhibit B-3?

22 A. Yes.

23 Q. Now, are you familiar with the fair market

24

1 value of drilling rights in the unit here and in the
2 surrounding area?

3 A. Yes.

4 Q. Could you advise the Board as to what those
5 are?

6 A. A five dollar bonus, five year term and a
7 one-eighth royalty.

8 Q. And these are folks we've force pooled on
9 several occasions?

10 A. Yes.

11 Q. And in your opinion, do the terms you've
12 testified to represent the fair market value of and the fair
13 and reasonable compensation to be paid for drilling rights
14 within this unit?

15 A. It does.

16 JIM KISER: At this time, Mr. Chairman, I'd like to
17 incorporate the testimony that we just took in VGOB docket
18 number 03-0819-1173 regarding the statutory election options
19 afforded the unleased parties listed in B-3 and the various
20 timetables and obligations that they have under those
21 election options.

22 BENNY WAMPLER: They will be incorporated.

23 Q. Okay, Mr. Hall, this is a coalbed methane
24

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1 well and we do have a conflicting claim situation. So, the
2 Board does need to establish an escrow account in accordance
3 with Exhibit E to the application?

4 A. That's correct.

5 Q. Okay, who should be named the operator under
6 any force pooling order?

7 A. Equitable Production Company.

8 Q. Now, what is the total depth of this
9 proposed well under the plan of development?

10 A. 2476 feet.

11 Q. And what are the estimated reserves for the
12 unit?

13 A. 275 million cubic feet.

14 Q. Now, are you familiar with the well costs
15 for the proposed well?

16 A. Yes.

17 Q. And has an AFE been reviewed, signed and
18 submitted to the Board?

19 A. It has.

20 Q. Does this AFE represent a represent a
21 reasonable estimate, in your opinion, for the well costs for
22 this well?

23 A. It does.

24

--

1 Q. Could you state for the Board what those
2 costs are?

3 A. The dry hole cost is \$114,750, and the
4 completed well costs is \$233,812.

5 Q. Do these costs anticipate a multiple
6 completion?

7 A. They do.

8 Q. Does your AFE include a reasonable charge
9 for supervision?

10 A. Yes.

11 Q. In your professional opinion, would the
12 granting of this application be in the best interest of
13 conservation, the prevention of waste, and the protection of
14 correlative rights?

15 A. It would.

16 JIM KISER: Nothing further of this witness at this
17 time, Mr. Chairman.

18 BENNY WAMPLER: Questions from members of the
19 Board?

20 (No audible response.)

21 BENNY WAMPLER: Do you have anything further?

22 JIM KISER: Mr. Chairman, we'd ask that the
23 application be approved as submitted.

24

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1 BENNY WAMPLER: Is there a motion?

2 JIM McINTYRE: Motion to approve.

3 KEN MITCHELL: Second.

4 BENNY WAMPLER: Motion and second. Any further
5 discussion?

6 (No audible response.)

7 BENNY WAMPLER: All in favor, signify by saying
8 yes.

9 (All members signify by saying yes, but Mr.
10 Ratliff.)

11 BENNY WAMPLER: Opposed, say no.

12 DONALD RATLIFF: I would abstain, Mr. Chairman.

13 BENNY WAMPLER: One abstention, Mr. Ratliff. The
14 next item on the agenda is a petition from Equitable
15 Production Company for pooling of a conventional gas unit V-
16 502675, docket number VGOB-03-0819-1175. We'd ask the
17 parties that wish to address the Board in this matter to come
18 forward at this time.

19 JIM KISER: Mr. Chairman and members of the Board,
20 again, Jim Kiser on behalf of Equitable Production. Again,
21 Mr. Hall will be the witness. He does have a revised Exhibit
22 B to pass out to the Board, and a revised B-3, and a revised
23 E.

24

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1 (Mr. Hall passes out exhibits.)

2 JIM KISER: E is not actually revised. Just B and
3 B-3. I'll kind of explain what happened here, too. We...the
4 plat...what happened was originally we had...if you'll look
5 at Tracts 5 and 6 originally it was...the only guy that
6 remains unleased is Adam Ben Hooper on five and these two
7 guys, Jerry Lecho and Dale Kennedy, D.B.A., Hillbilly Land
8 Company owned Tract 6. Then Hooper bought Tract 6 from those
9 guys. So, we just have one last tract...one last tract and
10 then the only unleased parties are Hooper and then an
11 unknown, the Wise Realty Company. So, the plat was always
12 right. The exhibits...the revised exhibits are now correct.
13 The original exhibits did not reflect---.

14 DON HALL: That acquisition was right about the
15 time with my filing for application and we got that plat
16 corrected, but the correct exhibit didn't get attached.

17 JIM KISER: Yeah, apparently he bought that tract a
18 day or two right around the time the application was filed.
19 So, you have with these revised exhibits, the only thing that
20 needed to be revised was B and B-3.

21

22 DON HALL

23 QUESTIONS BY MR. KISER:

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1 Q. Mr. Hall, if you'd state your name again
2 for the Board, who you're employed by and in what capacity?

3 A. My name is Don Hall. I'm employed by
4 Equitable Production Company as District landman.

5 Q. And you're familiar with the application we
6 filed seeking to establish a drilling unit and obtain a
7 pooling order for EPC well number V-502675, which was dated
8 July the 18th, 2003?

9 A. Yes.

10 Q. Does Equitable own drilling rights in the
11 unit involved here?

12 A. We do.

13 Q. Now, prior to filing the application, were
14 efforts made to contact each of the respondents and an
15 attempt made to work out a voluntary lease?

16 A. Yes.

17 Q. What is the interest of Equitable within the
18 unit under lease?

19 A. We have 87.81% leased.

20 Q. And you're familiar with the ownership of
21 drilling rights of parties other than Equitable underlying
22 this unit?

23 A. Yes.

24

--

1 Q. Okay, now, subsequent to the filing of the
2 application, did you continue to attempt to reach an
3 agreement with the respondents?
4 A. We have.
5 Q. And you were unsuccessful, correct?
6 A. That's correct.
7 Q. And what is the percentage of the unit that
8 remains unleased at this time?
9 A. 12.19%.
10 Q. And are all those parties set out in Exhibit
11 B-3?
12 A. They are.
13 Q. Now, we do have a unknown entity involved in
14 this unit, the Wise Realty Company, a partnership composed of
15 J. H. McCue and John W. Guntner.
16 A. Yes.
17 Q. Were reasonable and diligent efforts made
18 and sources checked to identify and locate those folks
19 including primary sources such as deed records, probate
20 records, assessor's records, treasurer's records and
21 secondary sources such as telephone directories, city
22 directories, family and friends?
23 A. Yes. That was a company that was formed
24

1 around the turn of the twentieth century and shortly
2 thereafter people disappeared and the company disappeared.
3 They were unable to find any successor.

4 Q. So, in your professional opinion, was due
5 diligence exercised to locate each of the respondents named
6 in the exhibits?

7 A. Yes.

8 Q. And are the addresses set out in the Exhibit
9 B...the revised Exhibit B to the application the last known
10 addresses for the respondents?

11 A. Yes.

12 Q. Are you requesting this Board to force pool
13 all unleased interest listed in Exhibit B-3?

14 A. Yes.

15 Q. Now, are you familiar with the fair market
16 value of drilling rights in the unit here and in the
17 surrounding area?

18 A. Yes.

19 Q. Could you advise the Board as to what those
20 are?

21 A. A five dollar bonus, five year term and a
22 one-eighth royalty.

23 Q. In your opinion, do the terms you've
24

1 testified to represent the fair market value of and the fair
2 and reasonable compensation for drilling rights to be paid
3 within this unit?

4 A. They do.

5 JIM KISER: Mr. Chairman, at this time, we'd again
6 request that the testimony taken in VGOB docket number 03-
7 0819-1173 regarding the statutory election options and the
8 time lines for the unleased parties to make those elections
9 be incorporated into this hearing.

10 BENNY WAMPLER: They will be incorporated.

11 Q. Mr. Hall, we do, in this case, need the
12 Board to establish an escrow account because we do have an
13 unknown interest, is that correct?

14 A. That's correct.

15 Q. And who should be named the operator under
16 any force pooling order?

17 A. Equitable Production Company.

18 Q. Now, what is the depth of this proposed
19 well?

20 A. It's 5434 feet.

21 Q. Is the applicant requesting to force pool
22 any conventional gas reserves not only to include the
23 designated formations, but any other formations excluding
24

1 coal formations which may be between those formations
2 designated from the surface to the total depth drilled?

3 A. Yes.

4 Q. And what are the estimated reserves for this
5 unit?

6 A. 250 million cubic feet.

7 Q. And have you reviewed...has an AFE been
8 reviewed, signed and submitted to the Board as an Exhibit to
9 this application?

10 A. It has.

11 Q. Does this AFE, in your opinion, represent a
12 reasonable estimate of the well costs for the proposed well
13 under the plan of development?

14 A. Yes.

15 Q. Could you state both the dry hole costs and
16 completed well costs?

17 A. The dry hole cost is \$177,147, and the
18 completed well cost is \$295,241.

19 BENNY WAMPLER: That's different from what I have.

20 JIM KISER: Different on the dry hole, yeah.

21 BENNY WAMPLER: On both for me. No, 295,241 on
22 the---.

23 JIM KISER: Yeah. The completed well cost is
24

1 right.

2 BENNY WAMPLER: Okay.

3 JIM KISER: The dry hole it looks like it should be
4 171,147.

5 DON HALL: It is 171,147. That's a typo on this.
6 The completed is 295,241.

7 BENNY WAMPLER: Okay.

8 DON HALL: That's what I said, wasn't it?

9 JIM KISER: No. You said 177,147.

10 DON HALL: It's 171,147.

11 JIM KISER: Right.

12 DON HALL: And the completed well cost is 295,241.

13 JIM KISER: Right. That's right.

14 DON HALL: That's correct.

15 JIM KISER: Did you get that, Sharon?

16 (No audible response.)

17 Q. Does the AFE include a reasonable charge for
18 supervision?

19 A. Yes.

20 Q. In your professional opinion, would the
21 granting of this application be in the best interest of
22 conservation, the prevention of waste, and the protection of
23 correlative rights?

24

1 A. It would.

2 JIM KISER: Nothing further of this witness at this
3 time, Mr. Chairman.

4 BENNY WAMPLER: Questions from members of the
5 Board?

6 KEN MITCHELL: I have two questions, Mr. Chairman.

7 BENNY WAMPLER: Mr. Mitchell.

8 KEN MITCHELL: Thank you, sir. My first question,
9 looking for the real estate company, I believe, Wise Realty
10 Company or whatever.

11 DON HALL: Uh-huh.

12 KEN MITCHELL: Did you actually call the State
13 Corporation Commission in Richmond and, if you did,
14 what...what was their statement to you? Is it...because
15 you...people have to file yearly with the SCC if it's still
16 up there.

17 DON HALL: Right.

18 KEN MITCHELL: So, are they out of...I mean, they
19 had nothing on their records other than---?

20 DON HALL: Nothing on their records. This was a
21 company that was formed around 1900.

22 KEN MITCHELL: Okay.

23 DON HALL: And we find no further records of their
24

1 existence beyond a short time after this at the State
2 Corporation Commission or...or any records in the Courthouse
3 or anything.

4 KEN MITCHELL: Okay. Also, going back to item ten
5 for a minute, I looked at your cost per drilling. Your item
6 number ten on the docket, your cost per drilling was \$94.43 a
7 foot and the cost on this well is \$54.33 a foot. It just
8 seemed like double the cost. Somewhere there should...by my
9 assumption, there should be some sort of average cost per
10 foot to drill a well.

11 DON HALL: I can't address that. I don't...I don't
12 calculate that cost per footage.

13 KEN MITCHELL: Okay.

14 DON HALL: I really can't---.

15 KEN MITCHELL: I wanted to bring it to your
16 attention because---.

17 DON HALL: Yeah.

18 KEN MITCHELL: ---that...you know, the one we did
19 on item number ten was twice as expensive to drill. Maybe
20 you're going through a different sub-structure and your
21 engineer factored that in.

22 JIM KISER: Yeah, ten is a CBM well and eleven is a
23 conventional well. But would you...would it be your

24

--

1 testimony that the cost that you've testified to...completed
2 well costs for these two wells would be in line and pretty
3 much average for the other wells that we've brought before
4 the Board?

5 DON HALL: Yes.

6 KEN MITCHELL: Quite a number different. I just
7 wanted you to be aware of it.

8 DON HALL: I'll check with the engineering group
9 that prepared these---.

10 KEN MITCHELL: Sure.

11 DON HALL: ---and see if they can get an answer for
12 you.

13 KEN MITCHELL: I'll go with the cheaper cost,
14 personally.

15 DON HALL: A lot of it has to do with who you get
16 to drill it, too. Some rig costs are little higher than
17 others, but not that much higher, I don't think.

18 KEN MITCHELL: No other question, Mr. Chairman.

19 BENNY WAMPLER: Other questions from members of the
20 Board?

21 (No audible response.)

22 BENNY WAMPLER: Do you have anything further?

23 JIM KISER: Mr. Chairman, we'd ask that the
24

--

1 application be approved as submitted, please.

2 KEN MITCHELL: Motion for approval.

3 DONALD RATLIFF: Second.

4 BENNY WAMPLER: Motion and second. Any further
5 discussion?

6 (No audible response.)

7 BENNY WAMPLER: All in favor, signify by saying
8 yes.

9 (All members signify by saying yes.)

10 BENNY WAMPLER: Opposed, say no.

11 (No audible response.)

12 BENNY WAMPLER: You have approval.

13 DON HALL: Thank you.

14 BENNY WAMPLER: Thank you, Mr. Hall. The next item
15 on the agenda is a petition from Columbia Natural Resources,
16 Inc., for pooling of a conventional gas unit 825232, docket
17 number VGOB-03-0819-1176. We'd ask the parties that wish to
18 address the Board in this matter to come forward at this
19 time.

20 JIM KISER: Mr. Chairman, Jim Kiser on behalf of
21 Columbia Natural Resources. Our witnesses in this matter
22 will be Ms. Lynette Green and Mr. Michael Friend. We'd ask
23 at this time that these...both of these witnesses be sworn.

24

--

1 (WITNESSES ARE DULY SWORN.)

2 MASON BRENT: Mr. Chairman, before we get

3 started---?

4 BENNY WAMPLER: Mr. Brent.

5 MASON BRENT: ---may I ask Mr. Kiser a question?

6 JIM KISER: Okay.

7 MASON BRENT: Are you aware of any change in

8 ownership of Columbia Natural Resources?

9 JIM KISER: I'm aware that one is going to take

10 place, but I don't think it actually has.

11 MASON BRENT: There's no change?

12 JIM KISER: No.

13 MASON BRENT: Okay. I recuse myself from the next

14 two items.

15 BENNY WAMPLER: Okay.

16 JIM KISER: Next month he might not have to do

17 that.

18 BENNY WAMPLER: I understand.

19 JIM KISER: Before we get started, I'm going to

20 hand out Mr. Friend's resume. He has not testified

21 previously before the Board.

22 (Mr. Kiser passes out the resume.)

23 JIM KISER: I'm going to start with Ms. Green, who

24

1 has.

2

3

LYNETTE GREEN

4 having been duly sworn, was examined and testified as
5 follows:

6

DIRECT EXAMINATION

7 QUESTIONS BY MR. KISER:

8 Q. If you'd state your name for the Board, who
9 you're employed by and in what capacity?

10 A. My name is Lynette Green. I'm employed by
11 Columbia Natural Resources as a land representative.

12 Q. And you have previously testified before the
13 Board as a expert in land matters on force pooling hearings?

14 A. Yes.

15 Q. Okay. Now, are you familiar with the
16 application that we filed seeking an establishment of a
17 drilling unit and seeking a pooling order for CNR well number
18 825232, which was dated July the 18th, 2003?

19 A. Yes.

20 Q. Does CNR own drilling rights in the unit
21 involved here?

22 A. Yes.

23 Q. And does the proposed unit depicted at
24

--

1 Exhibit A, that being the plat, include all the acreage
2 within 2500 feet of the proposed well 825232?

3 A. Yes.

4 Q. Now, prior to filing the application, were
5 efforts made to contact each of the respondents within the
6 unit in an attempt to work out a voluntary lease agreement
7 with each of them?

8 A. Yes.

9 Q. And what is the interest of CNR that's under
10 lease in the unit?

11 A. 72.38% of the unit.

12 Q. And are you familiar with the ownership of
13 drilling rights of parties other than CNR underlying this
14 unit?

15 A. Yes.

16 Q. And what is the percentage of the unit that
17 remains unleased?

18 A. Unleased 27.62%.

19 Q. Then have we previously also leased these
20 interest owners...I mean, force pooled these interest owners?

21 A. Yes.

22 Q. Okay, now, are all the unleased parties set
23 out at Exhibit B-3?

24

--

1 A. Yes.

2 Q. Are the addresses set out in Exhibit B to
3 the application the last known addresses for the respondents?

4 A. Yes.

5 Q. Are you requesting this Board to force pool
6 all unleased interest listed at Exhibit B-3?

7 A. Yes.

8 Q. Now, are you familiar with the fair market
9 value of drilling rights in the unit here and in the
10 surrounding area?

11 A. Yes.

12 Q. Could you advise the Board as to what those
13 are?

14 A. A five dollar bonus, a five year term, a
15 one-eighth royalty.

16 Q. In your opinion, do the terms you've just
17 testified to represent the fair market value of and the fair
18 and reasonable compensation to be paid for drilling rights
19 within this unit?

20 A. Yes.

21 Q. Now, based on your testimony as to the one
22 interest owner within the unit who has not agreed to a
23 voluntary lease, do you agree that they be allowed the
24

1 following options with respect to their ownership interest
2 within the unit: One, participation; two, a cash bonus of
3 five dollars per net mineral acre plus a one-eighth of eight-
4 eighths royalty; or three in lieu of a cash bonus and one-
5 eighth of eight-eighths royalty, share in the operation of
6 the well on a carried basis as a carried operator under the
7 following conditions: Such carried operator should be
8 entitled to his share of production from the tracts pooled
9 accruing to his interest exclusive of any royalty or
10 overriding royalty reserved in any leases, assignments
11 thereof or agreements relating thereto of such tracts, but
12 only after the proceeds applicable to his share equal A),
13 300% of the share of such costs applicable to the interest of
14 the carried operator of a leased tract or portion thereof; or
15 B), 200% of the share of such costs applicable to the
16 interest of a carried operator of an unleased tract or
17 portion thereof?

18 A. Yes.

19 Q. Do you recommend that the order provide that
20 elections by the respondent be in writing and sent to the
21 applicant at Columbia Natural Resources, Inc., 900
22 Pennsylvania Avenue, Charleston, West Virginia 25302,
23 Attention: Mary Sue Shurborn?

24

--

1 A. Yes.

2 Q. And at this time, should this be the address
3 for all communications with the applicant concerning any
4 force pooling order?

5 A. Yes.

6 Q. Do you recommend that the order provide that
7 if no written election is properly made by a respondent, then
8 such respondent shall be deemed to have elected the cash
9 royalty option in lieu of participation?

10 A. Yes.

11 Q. Should the unleased respondents be given 30
12 days from the date the order is executed to file their
13 written elections?

14 A. Yes.

15 Q. And if an unleased respondent elects to
16 participate, should they be given 45 days to pay for their
17 proportionate share of well costs?

18 A. Yes.

19 Q. Does the applicant expect that party
20 electing to participate to pay in advance that party's share
21 of completed well costs?

22 A. Yes.

23 Q. Should the applicant be allowed a 120 days
24

1 following the recordation date of the Board order and
2 thereafter annually on that date until production is achieved
3 to pay or tender any cash bonus becoming due under the force
4 pooling order?

5 A. Yes.

6 Q. Do you recommend the order provide if a
7 respondent elects to participate but fails to pay their
8 proportionate share of well costs satisfactory to the
9 applicant for the payment of those costs, then their election
10 to participate should be treated as having been withdrawn and
11 void?

12 A. Yes.

13 Q. Do you recommend that the order provide that
14 where a respondent elects to participate but defaults in
15 regard to the payment of the well costs, any cash sum
16 becoming payable to such respondent be paid within 60 days
17 after the last date on which such respondent could have paid
18 or made satisfactory arrangements for the payment those
19 costs?

20 A. Yes.

21 Q. Okay, this is a conventional well pooling.
22 We do not have any unknown or unlocateable owners. So, the
23 Board does not need to create an escrow account, is that
24

1 correct?

2 A. That's correct.

3 Q. And who should be named the operator under
4 any force pooling order?

5 A. Columbia Natural Resources.

6 JIM KISER: That's all I have for this witness at
7 this time, Mr. Chairman.

8 BENNY WAMPLER: Questions from members of the Board
9 of this witness?

10 JIM MCINTYRE: I have a question, is it known as to
11 why folks don't want to lease? You stated that they were
12 force pooled in the past with an attorney's office.

13 LYNETTE GREEN: They have never leased to us. And
14 this was...well, prior to Harris Hart's passing away, he
15 wouldn't lease to us. He is the attorney that represents
16 these people. So, we've gone back to his son who now
17 represents this Estate and he's looking at the lease. But he
18 understood we were going to force him and that was okay.

19 BENNY WAMPLER: So, you did contact him and talked
20 with him---.

21 LYNETTE GREEN: Yeah.

22 BENNY WAMPLER: ---each time.

23 LYNETTE GREEN: Yes.

24

1 BENNY WAMPLER: Okay. Any other questions of this
2 witness?

3 (No audible response.)

4 BENNY WAMPLER: Call your next witness.

5

6 MICHAEL FRIEND

7 having been duly sworn, was examined and testified as
8 follows:

9 DIRECT EXAMINATION

10 QUESTIONS BY MR. KISER:

11 Q. Mr. Friend, would you please state your
12 name, who you're employed by and in what capacity?

13 A. Michael Friend. Employed by Columbia
14 Natural Resources as a prospect engineer.

15 Q. Now, since you have not previously testified
16 before the Virginia Gas and Oil Board, would you take a
17 couple of minutes and go through both your educational
18 background and your work history for the Board so they can
19 become familiar with your expertise?

20 A. Graduate of West Virginia University, degree
21 in Petroleum Engineering, 1978. I've been employed about
22 twenty-five years with various duties: Drilling Engineer,
23 Reservoir Engineer and Superintendent and various aspects of

24

--

1 the business.

2 Q. So, you're familiar with the prospect area
3 that these wells were located and then that we're forcing
4 pooling today, obviously?

5 A. Yes.

6 JIM KISER: Okay. Mr. Chairman, I'd ask if anybody
7 has any questions for Mr. Friend regarding his work history
8 or background, and if not, that the Board accept his
9 qualifications as a expert witness in this area.

10 BENNY WAMPLER: As you know, we don't...we don't go
11 through any qualification per sey. But you may continue---.

12 JIM KISER: All right.

13 BENNY WAMPLER: ---with the acceptance of the
14 representation.

15 Q. And your responsibilities include the land
16 involved here and in the surrounding area?

17 A. Yes.

18 Q. And you're familiar with the proposed
19 exploration and development of the unit here?

20 A. Yes.

21 Q. And what's the total depth of the proposed
22 well?

23 A. 5,535 feet.

24

--

1 Q. And this will be sufficient to penetrate and
2 test the common sources as supplied in the subject
3 formations?

4 A. Yes.

5 Q. And is the applicant requesting the force
6 pooling of conventional gas reserves not only to include the
7 designated formations but any other formations excluding coal
8 formations which may be between those formations designated
9 from the surface to the total depth drilled?

10 A. Yes.

11 Q. And what are the estimated reserves for this
12 unit?

13 A. 300 million cubic feet.

14 Q. Now, are you familiar with the well costs
15 for the proposed well under the plan of development?

16 A. Yes.

17 Q. And has an AFE been reviewed, signed and
18 submitted to the Board along with this application?

19 A. Yes.

20 Q. Was the AFE prepared by an engineering
21 department knowledgeable in the preparation of AFEs and
22 knowledgeable in regard to well costs in this area?

23 A. Yes.

24

--

1 Q. Could you at this time state for the Board
2 both the dry hole cost and the completed well cost for this
3 well?

4 A. The dry hole cost of \$199,863, completed
5 well cost of \$370,909.

6 Q. Does this AFE, in your professional opinion,
7 represent a reasonable estimate of these well cost?

8 A. Yes.

9 Q. Do these costs anticipate a multiple
10 completion?

11 A. Yes.

12 Q. Does your AFE include a reasonable charge
13 for supervision?

14 A. Yes.

15 Q. In your professional opinion, would the
16 granting of this application be in the best interest of
17 conservation, the prevention of waste, and the protection of
18 correlative rights?

19 A. Yes.

20 JIM KISER: Nothing further of this witness at this
21 time, Mr. Chairman.

22 BENNY WAMPLER: Who signed this...this guy writes
23 about like I do. Who signed this AFE?

24

--

1 MICHAEL FRIEND: Mark Hachett, I believe.
2 BENNY WAMPLER: Hachett?
3 JIM KISER: Yeah. R. Mark Hachett.
4 BENNY WAMPLER: Okay.
5 JIM KISER: Yeah, that's worse than I am.
6 (Board confer among themselves.)
7 BENNY WAMPLER: Questions from members of the Board
8 of this witness?
9 (No audible response.)
10 BENNY WAMPLER: In your application, your depth
11 doesn't match your AFE. You've got 5632 feet.
12 MICHAEL FRIEND: Yes.
13 BENNY WAMPLER: The AFE is 5535. Is it...which
14 one?
15 MICHAEL FRIEND: This AFE is which, 55---?
16 JIM KISER: 5535 and our application says 56---.
17 BENNY WAMPLER: And that was consistent with your
18 testimony. Your application was something different, though.
19 MICHAEL FRIEND: I think there might have been a
20 typo in the application. 5535 is---.
21 BENNY WAMPLER: Is correct?
22 MICHAEL FRIEND: ---on the G plat.
23 JIM KISER: We're struggling this month. I was
24

1 gone the week these were filed.

2 SHARON PIGEON: See how hard it is without a
3 secretary.

4 JIM KISER: See how hard it is with one. Well, I
5 don't envy you at all.

6 BENNY WAMPLER: Any other questions from members of
7 the Board?

8 (No audible response.)

9 BENNY WAMPLER: Do you have anything further?

10 JIM KISER: Mr. Chairman, we'd ask that the
11 application be approved as submitted based on the testimony,
12 you know, as to the depth...the correct depth.

13 BENNY WAMPLER: I would say that if you...you know,
14 if you find that there is a difference there, if you would
15 just simply amend the AFE and submit it to Mr. Wilson with
16 the correct depth on it certified.

17 MICHAEL FRIEND: Yes.

18 BENNY WAMPLER: Okay. Is there a motion?

19 KEN MITCHELL: Motion, Mr. Chairman.

20 BENNY WAMPLER: Motion to approve.

21 DONALD RATLIFF: Second.

22 BENNY WAMPLER: Second. Any further discussion?

23 (No audible response.)

24

--

1 BENNY WAMPLER: All in favor, signify by saying
2 yes.

3 (All members signify by saying yes, but Mason
4 Brent.)

5 BENNY WAMPLER: Opposed, say no.

6 (No audible response.)

7 BENNY WAMPLER: You have approval. We have one
8 abstention and also on the next one. The last item on
9 today's agenda is a petition from Columbia Natural Resources,
10 Inc. for pooling of a conventional gas unit 825196, docket
11 number VGOB-03-0819-1177. We'd ask the parties that wish to
12 address the Board in this matter to come forward at this
13 time.

14 JIM KISER: Mr. Chairman and members of the Board,
15 Jim Kiser, again, on behalf of Columbia Natural Resources.
16 Again, our witnesses will be Ms. Green and Mr. Friend. A
17 little cleanup work on this one before we even start. I
18 notified...in preparation for these hearings, I guess on
19 Friday, I notified Ms. Davis. I don't whether she got...she
20 probably didn't have time to get the corrected exhibits, or
21 maybe she did, into the packages. If she didn't, I'll get
22 those to you today. When we filed this application, the
23 Exhibit B is correct. We just...once again, it's just one

24

--

1 unleased party. For some reason there was two B-3s that got
2 into this one. No excuse me...well...yeah, two B-3s. The
3 one for the last well we just did for the Bowen Estate people
4 got into this one along with the...so that needs to be taken
5 out. Then the B-3 that got for this well on Ervin Yates, if
6 you look in the last column for gross acreage in the unit,
7 that 41% is obviously wrong. It should be 0.41 and not 41%.
8 So, if you'll remove the Exhibit B-3 that deals with the
9 well that we just pooled and then I will submit a corrected
10 B-3 for this well, which reflects the correct percentage
11 that's the gross acreage in the unit that's unleased and
12 owned by Mr. Ervin Yates who is our only unleased respondent
13 in the unit. I apologize for that once again. I was on
14 vacation that week. I guess I'll have to make sure that...the
15 week that these things have to be filed, I'm not gone.

16 BENNY WAMPLER: The record will show there are no
17 others. You may proceed.

18

19 LYNETTE GREEN

20 DIRECT EXAMINATION

21 QUESTIONS BY MR. KISER:

22 Q. Okay, Ms. Green, if you'd again state your
23 name for the Board, who you're employed by and in what

24

--

1 capacity?

2 A. Lynette Green. I'm employed by Columbia
3 Natural Resources as a land representative.

4 Q. And do your responsibilities include the
5 land involved here and for this unit?

6 A. Yes.

7 Q. And are you familiar with the application
8 that we filed seeking an establishment of a drilling unit and
9 seeking a pooling order for CNR well number 825196, which was
10 dated July the 18th, 2003?

11 A. Yes.

12 Q. Does CNR own drilling rights in the unit
13 involved here?

14 A. Yes.

15 (Mr. Kiser confers with Ms. Green.)

16 Q. And does the proposed unit depicted at
17 Exhibit A to the application, which is the plat, include all
18 acreage within 2500 feet, that being a 1250 foot radius of
19 proposed well---?

20 A. Yes.

21 Q. ---825196?

22 A. Yes.

23 Q. Now, prior to filing the application, were
24

1 efforts made to contact each of the respondents and interest
2 owners within the unit and an attempt made to work out a
3 voluntary lease agreement?

4 A. Yes.

5 Q. What was the interest under lease to CNR
6 within the unit?

7 A. 99.64%.

8 Q. And are you familiar with the ownership of
9 parties other than CNR underlying this unit?

10 A. Yes.

11 Q. And what percentage remains unleased at this
12 time?

13 A. .36%.

14 Q. 0.36%?

15 A. Oh, I'm sorry. 0.36%.

16 Q. And are all the unleased parties set out in
17 Exhibit B-3 to the application, which is going to be revised
18 to reflect the correct percentage and the gross acreage?

19 A. Yes.

20 Q. Okay. And we don't have any unknown or
21 unlocateable entities in this unit. In your professional
22 opinion, was due diligence exercised to locate each of the
23 respondents named herein?

24

--

1 A. Yes.

2 Q. And are the addresses set out in Exhibit B
3 to application the last known addresses for the respondents?

4 A. Yes.

5 Q. Are you requesting this Board to force pool
6 all the unleased interest listed in Exhibit B-3?

7 A. Yes.

8 Q. Are you familiar with the fair market value
9 of drilling rights in the unit here and in the surrounding
10 area?

11 A. Yes.

12 Q. Could you advise the Board as to what those
13 are?

14 A. A five dollar bonus for a five year term and
15 a one-eighth royalty.

16 Q. In your professional opinion, do the terms
17 you've testified to represent the fair market value of and
18 the fair and reasonable compensation to be paid for drilling
19 rights within this particular unit?

20 A. Yes.

21 JIM KISER: Mr. Chairman, at this time we'd ask
22 that the testimony that Ms. Green just gave us regarding the
23 statutory election options afforded the one unleased party
24

1 and the time lines in which that party would have to make
2 those elections that was taken in VGOB docket number 03-0819-
3 1176 be incorporated into this hearing?

4 BENNY WAMPLER: That will be incorporated.

5 Q. Okay, Ms. Green, it's a conventional well.
6 We don't have any unknown or unlocateable owners. So, there
7 is not any need for the Board to establish an escrow account,
8 is that right?

9 A. Yes.

10 Q. And who should be named the operator under
11 any force pooling order?

12 A. Columbia Natural Resources.

13 JIM KISER: Nothing further of this witness at this
14 time, Mr. Chairman.

15 BENNY WAMPLER: Any questions of this witness from
16 members of the Board?

17 (No audible response.)

18 BENNY WAMPLER: Call your next witness.

19 MICHAEL FRIEND

20 DIRECT EXAMINATION

21 QUESTIONS BY MR. KISER:

22 Q. Mr. Friend, do your responsibilities include
23 the land involved in this unit and in the surrounding area?

24

--

1 A. Yes.

2 Q. And you're familiar with the proposed
3 exploration and development of the unit here?

4 A. Yes.

5 Q. Okay. And what is...wait a minute before I
6 ask this question. All right. What is the total depth of
7 the proposed well under the applicant's plan of development?

8 A. 5,848 feet.

9 Q. And this will be sufficient to penetrate and
10 test the common sources as supplied in the subject
11 formations?

12 A. Yes.

13 Q. And is the applicant requesting the force
14 pooling of conventional gas reserves, not only to include the
15 designated formations but any other formations excluding coal
16 formations which may be between those formations designated
17 from the surface to the total depth drilled?

18 A. Yes.

19 Q. And the estimated reserves for this unit?

20 A. 450 million cubic feet.

21 Q. Now, are you familiar with the well costs
22 for the proposed well under the plan of development?

23 A. Yes.

24

1 Q. Has an AFE been reviewed and signed by Mr.
2 Hachett, and submitted to the Board as Exhibit C to the
3 application?

4 A. Yes.

5 Q. And this AFE was prepared by an engineering
6 department knowledgeable in the preparation of AFEs and in
7 particular knowledgeable in regard to well costs in this
8 area?

9 A. Yes.

10 Q. In your opinion, does the AFE represent a
11 reasonable estimate of the well costs for this well?

12 A. Yes.

13 Q. Could you state both the dry hole cost and
14 the completed well cost for this well?

15 A. The dry hole cost of \$192,896, completed
16 well costs of \$371,014.

17 Q. Do these costs anticipate a multiple
18 completion?

19 A. Yes.

20 Q. Does your AFE include a reasonable charge
21 for supervision?

22 A. Yes.

23 Q. In your professional opinion, would the
24

1 granting of this force pooling application be in the best
2 interest of conservation, the prevention of waste, and the
3 protection of correlative rights?

4 A. Yes.

5 JIM KISER: Nothing further of this witness at this
6 time, Mr. Chairman.

7 BENNY WAMPLER: Questions from members of the
8 Board?

9 DONALD RATLIFF: Mr. Chairman.

10 BENNY WAMPLER: Mr. Ratliff.

11 DONALD RATLIFF: Mr. Friend, the AFEs been updated
12 on 7/15/03. Even though I don't work there anymore, I don't
13 think the Pittston Company exists anymore. I think they're
14 operating under the (inaudible) Company. I don't think the
15 Pittston Company is a legal entity anymore.

16 BENNY WAMPLER: What you'll need to do is get an
17 updated AFE reflecting the correct name of the lease he's
18 going by.

19 JIM KISER: I don't think that's reflected in the
20 public records yet, though---

21 LYNETTE GREEN: That's right.

22 JIM KISER: ---which I think is probably the duty
23 that would be on the applicant.

24

--

1 BENNY WAMPLER: It would be.
2 JIM KISER: Right.
3 BENNY WAMPLER: Yes. Okay.
4 JIM KISER: You're correct. But I don't think
5 there's---.
6 KEN MITCHELL: Mr. Chairman, one technical
7 question.
8 BENNY WAMPLER: Mr. Mitchell.
9 KEN MITCHELL: Strictly technical. I don't know,
10 Jim, if it's you or whoever. But on your AFE, at the top it
11 says "Page 1 of 2", I only have one. So, I can only presume
12 that there wasn't a two and it was just when your computer
13 printed it out---.
14 JIM KISER: That's correct.
15 KEN MITCHELL: Okay. Okay, I didn't---.
16 JIM KISER: That's all I have, too.
17 KEN MITCHELL: Just trying to clear up the
18 technical side of it.
19 BENNY WAMPLER: Thank you. Any other questions?
20 (No audible response.)
21 BENNY WAMPLER: Do you have anything further?
22 JIM KISER: Mr. Chairman, we'd ask that the
23 application be approved as submitted with the condition that
24

--

1 a revised B-3 be submitted.

2 BENNY WAMPLER: Is there a motion?

3 JIM McINTYRE: Motion to approve.

4 BENNY WAMPLER: Motion to approve. Is there a
5 second?

6 KEN MITCHELL: Second.

7 BENNY WAMPLER: Motion and second. Any further
8 discussions?

9 (No audible response.)

10 BENNY WAMPLER: All in favor, signify by saying
11 yes.

12 (All members signify by saying yes, but Donald
13 Ratliff.)

14 BENNY WAMPLER: Opposed, say no.

15 (No audible response.)

16 BENNY WAMPLER: You have approval. Thank you.

17 DONALD RATLIFF: I think I should abstain, Mr.
18 Chairman. I'm not sure.

19 BENNY WAMPLER: Mr. Ratliff abstains and Mr. Brent
20 abstains. You have three...three votes in favor and none
21 opposed.

22 The last thing I have today is the minutes and the
23 results of the hearing that we had July the 15th, 2003, which
24

1 you should have had in your packet. I'd ask if there's any
2 corrections to that. If not...or discussion. If not, I'd
3 ask for a motion to approve.

4 KEN MITCHELL: Motion to approve minutes of the
5 July the 15th, 2003 meeting.

6 MASON BRENT: Second.

7 BENNY WAMPLER: Motion is seconded. Any further
8 discussion?

9 (No audible response.)

10 BENNY WAMPLER: All in favor, signify by saying
11 yes.

12 (All members signify by saying yes.)

13 BENNY WAMPLER: Opposed, say no.

14 (No audible response.)

15 BENNY WAMPLER: You have approval. Thank you. Do
16 you have anything, Mr. Wilson?

17 BOB WILSON: No, sir.

18 BENNY WAMPLER: That concludes the hearing.

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1 STATE OF VIRGINIA,

2 COUNTY OF BUCHANAN, to-wit:

3 I, Sonya Michelle Brown, Court Reporter and Notary
4 Public for the State of Virginia, do hereby certify that the
5 foregoing hearing was recorded by me on a tape recording
6 machine and later transcribed by me personally.

7 Given under my hand and seal on this the 9th day of
8 September, 2003.

9 NOTARY PUBLIC

10 My commission expires: August 31, 2005.
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